5. The other steps taken to improve Intra-SAARC Regional Trade include the following :

(a) It has been decided to establish an institutional mechanism like SAARC Arbitration Board for settlement of trade disputes within the region.

(b) It has been decided to establish a Group on Customs Cooperation with a view to simplify the custom procedures, harmonisation of classification and valuation rules, electronics data base and training of personnel in customs procedures.

(c) Steps are being taken to standardise the manufacturing specifications of export goods in the region.

(d) In order to promote intra-regional investment, information relating to investment regulations in the Member States is exchanged on regular basis through the SAARC Secretariat, Kathmandu.

(e) A Tripartite Study has been instituted with participation from Academia, Governmental and Trade sectors to suggest measures for promoting economic cooperation among the Member States.

(f) Efforts are being made to improve the transport and transit infrastructure in the SAARC region.

(g) European Union are being approached to recognise SAARC as an Association for according Cummulative Rules of Origin for GSP Treatment to promote exports from SAARC Region to the Western countries.

(h) Information relating to bulk purchases by Government agencies in the SAARC region is being shared by the Member States.

(i) It has been decided to hold meetings of SAARC Commerce Ministers on regular basis to monitior the progress of trade cooperation. The first meeting of SAARC Commerce Minister was held in New Delhi in January 1996 and the second meeting is proposed to be held shortly to suggest measures for promoting intra-regional trade.

(j) The first SAARC Trade Fair was held in Delhi in January 1996 and the second one is scheduled to be held shortly.

(k) At the business level the SAARC Chamber of Commerce and Industry (SCCL) plays an important role by organising seminars, workshops and meetins.

ECB Application for Loans

1237. SHRI N.S.V. CHITTHAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have empowered RBI, Mumbai to approve the External Commercial Borrowings applications;

(b) if so, whether the RBI, Mumbai adhere to the guidelines issued for approving of ECB; and

(c) if not, the reasons therefor and the steps taken by the Government to streamline the ECB system?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) Yes, Sir. The Government of India has authorised the Reserve Bank of India to consider applications for raising short term foreign currency loans with maturity less than 3 years. Recently with effect from 15th December, 1996, Government have also delegated the sanctioning powers to RBI for the USD 3 million scheme.

(b) Yes, Sir.

(c) Does not arise in view of (b).

Action Plan for Indo-Pak Trade Agreement

1238. DR. T. SUBBARAMI REDDY : Will the Minister of COMMERCE be pleased to state :

(a) whether Federation of Pakistan Chamber of Commerce and Industry and Punjab, Haryana and Delhi Chamber of Commerce and Industry of India have submitted a comprehensive action plan to their respective Government for formulation of a broad-based Indo-Pak Trade Agreement and expeditius establishment of Joint Business Council;

(b) if so, whether 22 - Member EPCCI and PHDCCI held a meeting in New Delhi on December 24, 1996 to finalise the plan;

(c) if so, the details of outcome thereof;

(d) whether both the Governments have approved the draft proposals; and

(e) if so, by what time Indo-Pakistan Trade Pact is likely to be signed?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (e) The Federation of Punjab, Haryana and Delhi Chamber of Commerce and Industry (PHDCCI) had a meeting with a 26 member delegation from Federation of Pakistan Chamber of Commerce and Industry (FPCCI) on December 24, 1996. During the meeting, certain suggestions were made for improving bilateral economic cooperation between India and Pakistan which include interalia, formulation of Indo-Pak Trade Agreement, Indo-Pak Joint Business Council etc.